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March 9, 1995

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William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
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RECEIVED

MAR 9 1995

FEDERAL COMMUNICATIONS COMMISSION
ACTING SECRETARY

Re: Ex parte presentation, RM-8610

On March 8, 1995, Richard E. Wiley and Carl R. Frank of Wiley, Rein & Fielding; Robert Briskman and David Margolese, of CD Radio, Inc.; and Peter Pitsch, made a presentation to Scott Harris and Rod Porter of the International Bureau regarding Digital Audio Radio Services (DARS). The presentation covered material already included in the record of this rulemaking and the enclosed additional materials.

Sincerely,



Carl R. Frank
Attorney for CD Radio, Inc.

cc: Scott Harris
Rod Porter

Attachment

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List A B C D E

ven project, and there is not much market drive among potential terrestrial broadcasters," says Peek.

But terrestrial broadcasters still have an alternative: the PAL Plus standard. PAL Plus is designed for compatibility with existing 4:3 PAL sets and also for providing full-resolution pictures on new 16:9 sets. The PAL Plus system operates by transmitting a letterbox image to 4:3 sets.

Digital "helper" information is included in the black bands and is used to recreate a full-resolution 16:9 image. The image quality, even on a non-PAL Plus set, is improved.

At IBC, Nokia unveiled the first PAL-plus commercial set. The sets are slated to go on sale next month.

The European PAL Plus project is being supported in some areas and ignored in others. Countries that have

spare capacity for a digital terrestrial standard, such as the Nordic countries, generally are ignoring the standard, while those with no capacity for a digital system are backing the PAL Plus approach.

A half-dozen broadcasters already are transmitting PAL Plus signals, and 19 broadcasters in nine countries plan to start transmission in the next 12 months. ■

Europe looks skyward to DAB

BBC announces it will begin satellite broadcasting this year; France and Germany are expected to follow suit

By Steve Homer,
special correspondent

Digital Audio Broadcasting (DAB), stalled in the U.S. market, is about to burst upon the rest of the world.

At least that's the European perspective. The proponents of the Eureka 147 project that spawned DAB voice bitterness about the technology's fate in the U.S., but also say it's poised to have the last laugh.

At the International Broadcasting Convention (IBC), the BBC confirmed that it will start full DAB broadcasting later this year in the UK. Its DAB demo at the convention used an off-the-shelf Philips demonstration receiver. Although these receivers still cost thousands of dollars, the broadcaster is confident that consumer-priced products soon will be available.

France and Germany are expected to announce the commercialization of their experimental DAB operations before the end of the year. France is expected to have a fully operational service during 1995. Germany, which had hoped to have a full DAB service operational by fall 1995, has unofficially pushed back plans for full launch until 1997 because of financial cutbacks.

The BBC's move, however, is believed to have caused serious rethinking in France and Germany.

The conference also heard news from Canadian broadcasters that have been experimenting with L-band digital transmissions. These have proved successful using a three-transmitter system near Montreal. By the end of next year, the Canadians will have installed transmitters in Vancouver,

Toronto and Quebec. With just a handful of transmitters, they say, the broadcasters will have covered roughly 60% of the country's population.

Egon Meier-Engelen, coordinator of the Eureka 147 project, says the Canadian work demonstrates how a satellite can supplement a terrestrial network. He says Eureka 147 is considering using a European Space Agency Archimedes satellite in an

inclined elliptical orbit. A launch is possible in 1998 if funds are found.

Meier-Engelen sees little chance of a DAB launch in the U.S. "The National Association of Broadcasters wants to kill DAB," he says. "Even the compromise in-band, on-channel proposal was put forward simply as a way to eventually kill it." As for satellite-delivered digital broadcasting, Meier-Engelen thinks the lobby of current radio broadcasters is strong enough to stop a satellite DAB service from ever getting off the ground.

But Meier-Engelen says that more countries are taking an interest in DAB. He lists Mexico, Australia and India as recent converts. ■

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**COMMISSION AND COURT OF APPEALS
HOLDINGS AUTHORIZING THE DBS SERVICE**

FCC's DBS Order, 90 FCC 2d 676 (1982)

- "The Commission cannot reject a new service solely because its entry will reduce the revenues or profits of existing licensees."
- "We should not refuse to authorize a potentially valuable new service solely on the basis of speculative allegations concerning possible reductions in service from other sources."
- "In contrast to the speculative nature of the claims of injury to conventional broadcasting and subscription service, the benefits that DBS could provide appear quite certain."
- "DBS systems could provide the first television service in some geographic areas, and could offer an increase in the number of channels and the variety of programming throughout the country. DBS systems might also offer services not previously available, such as high-definition television, stereophonic sound, or dual-language sound tracks, more readily than terrestrial program sources. The evidence we cited indicates that American viewers would find such an increase in the availability of television service extremely valuable."
- "Even if DBS systems were likely to affect the availability of programming from other sources, we believe that their potential benefits are sufficiently great to outweigh some loss of other programming."

Court of Appeals Affirmance, 740 F.2d 1190 (D.C. Cir. 1984)

- Calling NAB opposition to nationwide DBS a "luddite argument."
- "It would be anomalous to read the act to prevent the FCC from authorizing an innovative system of technology capable of conferring substantial benefits on all Americans."
- "The Act does not entrench any particular system of broadcasting: existing systems, like existing licensees, have no entitlement that permits them to deflect competitive pressure from innovative and effective technology."
- "DBS will merely supplement the existing local broadcast system, rather than replace it."
- "When new technology permits the statutory objectives to be attained through novel means that require the alteration or abandonment of past Commission policies, the Commission may adjust its means to [retain] fidelity to the legislative end."
- "We therefore find little need to tarry long on the argument of the local broadcasters that the statute immunizes them from DBS competition. Because DBS has the potential to yield broadcast services that significantly further the public interest, a finding of the Commission not truly disputed by any of the parties, the Commission acted well within its powers in approving the non-localized broadcasting characteristic of DBS."